

State of Utah DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

Michael O Leavitt Governor Lowell P Braxton Division Director PO Box 145801 Salt Lake City, Utah 84114-5801 801-538-5340 801-359-3940 (Fax) 801-538-7223 (TDD)

1594 West North Temple, Suite 1210

June 23, 1998

Ralph Jackson P O Box 178 St. Regis, Montana 59866

Re: Notice of Intention to Commence Mining Operations, ML 47981 Project, , Emery County, Utah

Dear Mr. Jackson:

Thank you for your Notice of Intention information received June 4, 1998 for your state mineral lease #47981 project. The project location is the S1/2 of the SW1/4 of Section 32, T22S, R14E, SLBM, Emery County, Utah. We have also received a copy of the School and Institutional Trust Lands June 15, 1998 acceptance letter to you for this project.

This letter is to advise you that a notice of intention is not required by the Division for your proposed removal of surface stone by hand. Non-mechanized extraction of minerals is considered "casual use" and the Division of Oil, Gas and Mining generally does not require a notice. If you wish to use mechanized equipment, you must submit a notice of intention to this office and receive written approval prior to creating any surface disturbance. A small mining notice of intention form is enclosed for your future use

Division staff will examine the project site when in the area. If I can be of further assistance to you, please contact me at (801) 538-5267

Sincerely,

Anthony A Gallegos

Senior Reclamation Specialist

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Enclosure: SMO-NOI

Will Stokes, SITLA (ML 47981)

General Correspondence file

Tracking File

Jackson noi

Ralph Jackson F.O. Box 178 St. Hegis, MT 59866 2 June, 1998

Utah Board of Oil, Gas & Mining Salt Lake City, Utah



Dear Sirs:

As required by law, this letter is to inform you that I am leasing about 80 acres of ground for surface mineral.

That area comprises the south $\frac{1}{2}$ of the southwest quarter section of section 32, Township 22 south, Range 14 east in Emory County. See the enclosed map. This ground is a school section under the administration of the School and Institutional Trust Lands Administration. Their contact person is Mr. will Stokes (801) 538-5100. My phone # is (406) 649-2639.

See the enclosed maps and Notice of Intent.

Thank you.

Relation Jackson

NOTICE OF INTENT

June 2, 1998

Intent to Commence Mineral Exploration and Mining on the State of Utah School and Institutional Trust Lands by: Ralph Jackson

P.O. Box 178 St. Regis, Hontana 59866

(400) 649-2639

RE: ML 47981 - Gemstone/Fossil

Location: Comprises about 80 acres on the south $\frac{1}{2}$ of the Southwest quarter of section 32, township 22 south, range 14 east.

Intention is to pick up red agates lying on the surface. These agates do not need to be excavated.

The existing road/way used by cattleman will be used for egress and hauling. The area is used for cattle grazing.

Agates will be gathered up in buckets and hand-carried to my Mazda pickup for hauling out. All watercourses are outside the 80 acres.

No chemicals or explosives are needed. No drilling required.

The lowest point is an alluvial flat where there is a metal post that acts as the southwest corner for section 32.

Hed agates will be stored in buckets and weighed on a small hand scale. Records kept in mileage book.

The work of gathering will be brief and sporadic, so no waste material will be accumulated. There seem to be no cultural resources on the site.

Cattle graze undisturbed on the site.

Halph Jackson Robel Fueleson 6/2/96

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Notary Public, residing at: *Applications filed by an atterney in that setting in behalf of the applicant shall not be accepted unless there is sufficient evidence on file with the Board of

Trustees that the applicant authorized the appropriate to apply for and execute the lease in his behalf.

Strike out parts not applicable.

**Strike out parts not applicable.

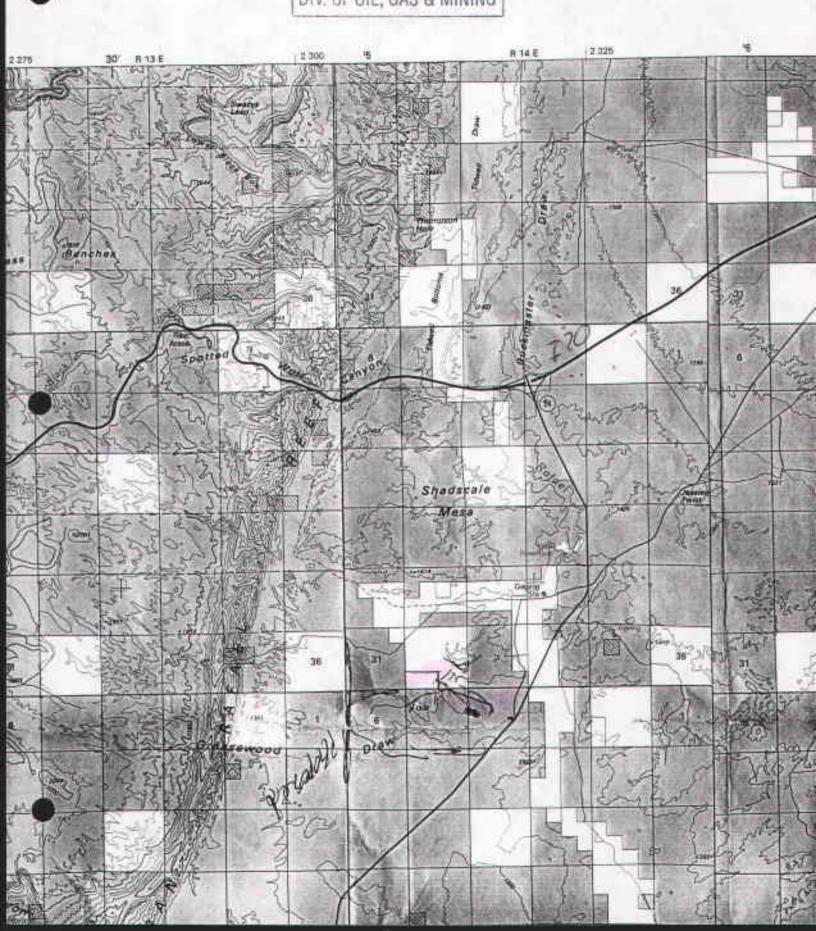
Subscribed and sworn to before me

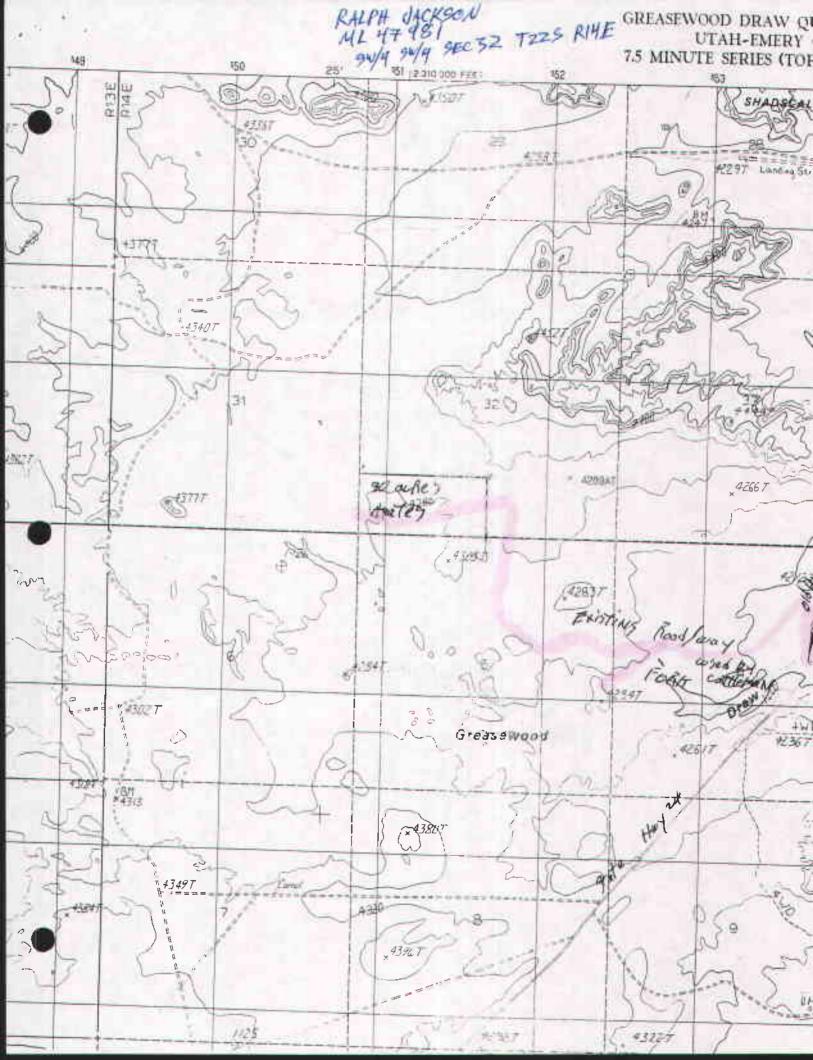
THIS DOCUMENT CAN BE REPRODUCED

JUN 04 1998

DIV. UF OIL, GAS & MINING

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State of Utah

TRUST LANDS ADMINISTRATION

Michael O. Leavitt Governor David T. Terry Director 675 East 500 South, Suite 500 Sait Lake City, Utah 64102-2818 801-538-5100 801-355-0922 (Fax)

June 15, 1998

Ralph Jackson P.O. Box 178 St. Regis, Montana 59866

Re: Approval, Notice of Intent to Commence Mineral Collecting, Surface, Gemstone/Fossil Lease ML-47981, S½SW¼ Section 32, T. 22 S., R. 14 E. SLB&M

Dear Mr. Jackson:

The School and Institutional Trust Lands Administration is in receipt of your Notice of Intent ("NOI") to Commence Mineral Exploration and Mining, dated June 2, 1998, on the lands encompassed under the above referenced lease

Your NOI satisfies the notification requirements for the type of activity you wish to conduct and you are hereby granted approval to commence with surface collecting of the commodity included under your lease agreement.

This approval allows for only hand collection of material lying on the surface of the leased lands. Access to the leased lands is provided by existing roads and no new roads or off road travel will be allowed. Creation of new roads by cross-county travel will require an amendment to your NOI and will require a bond to insure surface reclamation at the end of your operation. As no surface disturbance will result from your activity you will not be required to conduct a cultural resource survey prior to commencement of your activity. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical, or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

The lease agreement requires a production royalty payment of ten percent (10%) of the gross market value (first point of sale) for the material mined or extracted from the leased premises. The lease agreement also requires that a production royalty payment shall be made on or before the last day of the month next succeeding the calendar quarter during which the leased substance is mined or quarried or otherwise produced and removed from the leasehold. I have enclosed a copy the mineral production and revenue report form and instructions for filing the form when reporting production royalty - this form may be copied for additional royalty reporting.

June 15, 1998 Ralph Jackson Page 2

Trust Lands Administration approval to commence exploration or mining does not alleviate the necessity to comply with the requirements of the Division of Oil, Gas and Mining. You must contact them and comply with their requirements before commencing with any exploration or development. The address of the Division of Oil, Gas and Mining is 1594 West North Temple, Suite # 1210, P. O. Box 145801, Salt Lake City, Utah 84114.

Sincerely,

William M. Stokes

Minerals Resource Specialist

Enclosures

cc: Tony Gallegos, DOGM